Service Tax on Telephone

1464. SHRI DHARAM PAL SABHARWAL: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that service tax is levied on telephone rentals also by MTNL and BSNL;

(b) if so, the basis on which the same is done when rent is also charged on the instrument;

(c) whether Government have received any representations in the matter opposing such a levy;

(d) if so, the action taken or proposed to be taken thereon; and

(e) since when the service tax on telephone is being levied?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) Yes, Sir.

(b) Service tax is levied for the services rendered to the subscribers on gross amount of the bill which includes call charges, installation charges, shifting charges, rental etc. In pursuance of Section 67 of The Central Excise Tariff Act 1885. Rentals are charged from the subscribers for the line connecting his telephone to any exchange within the exchange system and not on the instrument.

(c) Yes, Sir.

(d) The subscribers who make representations are advised that service tax is payable on total amount of bill as per Section 67 of Central Excise Tariff Act 1885.

(e) Service Tax has been levied since 1994 (chargeable with effect from 1.7.94) as per the statutory provision.

Vidya Vahini Project

†1465. SHRIMATI KUM KUM RAI : Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) the number of Government-aided Senior Secondary Schools where "Vidya Vahini" project is being carried out to connect through internet;

†Original notice of the question was received in Hindi.